

IN THE MATTER OF:

DAAQUAM MAINE, INC's,
acquisition of the saw mill facility
in Milford from
INTERNATIONAL PAPER COMPANY

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**LICENSE
TRANSFERS**

Pursuant to the provisions of Maine Revised Statutes Title 38, Sections 413 et seq., 483 et seq., 581 et seq., and 1301 et seq., rules promulgated pursuant to these laws, and the *Rules Concerning the Processing of Applications (April 1, 2003)*, 06-096 CMR 2.21(C), the Department of Environmental Protection (DEP) has considered the application of Daaquam Maine, Inc. (DMI), with its supportive data, agency review comments, and other related materials on file, and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

A. Application. DMI submitted an application to the DEP on July 24, 2003, seeking to transfer all active licenses, as defined in 06-096 CMR 2.1(J), registrations, and condition compliance orders issued by the DEP in the name of, or transferred to, International Paper Company (IP) or Champion International Corporation and applications pending, regarding assets subject to purchase under the agreement referenced herein. A schedule of the permits and applications that are the subject of this DEP Order is set forth in Appendix A¹ to this Order.

B. History

(1) Operations. The saw mill that is the subject of this Order consists of approximately 158 acres located in Milford, Maine. The facility has the capacity to produce, on average, 400,000 board feet per day of sawn dimensional lumber.

These operations have regulated wastewater treatment, air pollution control, site development and solid waste facilities associated with them.

(2) DMI's Purchase of IP's Facilities. On June 30, 2003, DMI entered into a sale agreement with IP to purchase the saw mill in Milford.

2. TRANSFER REQUIREMENTS

DMI submitted the following information in support of its transfer application:

A. Title, Right, or Interest. DMI submitted a copy of a Sale Agreement referred to in section 1(B)(2) of this Order. That agreement shows DMI will have title, right, or interest in the properties and operations to which licenses and applications referred to in this Order relate after completing the purchase and sale of assets contemplated. IP and Champion demonstrated its title, right, or interest in the properties and operations which

¹ The intent of this Order is to transfer any and all DEP licenses, permits, certificates, registrations, applications, and decisions regulating the Milford facilities to be purchased by DQM. Any license, permit, certificate, registration, application, or decision not specifically listed in this Order is incorporated herein.

are the subject of the licenses and applications pending identified in Appendix A at the time each was transferred or issued to it.

- B. Financial Capacity and Intent.** DMI submitted information showing it is a wholly owned subsidiary of Canfor Corporation, through its subsidiary Canadian Forest Products Ltd. Canfor employs 6,290 people, with sales of \$2.11 billion (CAN) in 2002. Canfor assured capitalization of DMI in its meeting obligations
- C. Technical Capacity and Intent.** Canfor's expertise in operating saw mill facilities, including environment compliance obligations, will be available to DMI. Management will be lead by the mill manager, Francois Seguin, who has 23 years experience in the forest products industry.
- D. Solid Waste Facility Disclosure.** In accordance with Maine's solid waste management rules, *General Provisions*, 06-096 CMR 400.12, DMI provided a disclosure statement regarding criminal and civil adjudication records. Neither DMI nor its principal managers and investors has an environmental violation within the last ten years.

BASED ON THE ABOVE FINDINGS OF FACT, the DEP concludes that DMI has demonstrated the technical and financial capacity and ability to comply with the conditions of all licenses, registrations, condition compliance orders, and pending applications associated with the facilities described in the findings above, including specifically those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria.

THEREFORE the DEP APPROVES the above-noted application of DAAQUAM MAINE, INC SUBJECT TO THE FOLLOWING CONDITIONS and all applicable standards and regulations:

1. DMI shall abide by the terms and conditions of all DEP licenses associated with the facilities described in the Findings above, specifically including those listed in Appendix A.
2. The transfer of any licenses, registrations, condition compliance orders, and pending applications associated with the facilities described in the Findings above or contemplated for transfer in this Order shall not become effective until DMI certifies in writing to the DEP that the transaction contemplated by the Agreement identified in Finding 1(B)(2) and 2(A) has occurred and supplies the DEP with a copy of the legal instrument transferring title to the facilities described herein.
3. The applicant shall submit, for DEP review and approval, the name, address, phone number, and a list of qualifications for the contractor proposed for managing DMI's woodash utilization program, a minimum of ten (10) working days prior to distributing woodash for utilization.

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Milford Saw Mill

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DONE AND DATED AT AUGUSTA, MAINE THIS _____ DAY OF SEPTEMBER 2003.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dawn R. Gallagher, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application 7/24/03

Date application accepted for processing 7/25/03

Date filed with the Board of Environmental Protection

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Appendix A:

**LICENSES AND APPLICATIONS TRANSFERRED TO
DAAQUAM MAINE, INC**

WASTE WATER DISCHARGES

NUMBER	DESCRIPTION	EXPIRES
W-2525-50-B-R	Waste Discharge Renewal	04/14/04

AIR EMISSIONS

NUMBER	DESCRIPTION	EXPIRES
A-389-70-A-I	Title V Air Emissions License	09/10/04
A-389-70-B-M	Minor Revision	09/10/04

SOLID WASTE DISPOSAL

LICENSE NUMBER	DESCRIPTION	ISSUED
S-20722-SE-C-N	Landspreading Program approval	07/28/97
S-20722-SE-E-M	Minor revision	10/06/00

SITE DEVELOPMENT

NUMBER	DESCRIPTION	EXPIRES
24-701-19430	Development approval	02/09/73
L-701-21-A-A	Amendment enlarging mill	11/01/96
L-701-21-C-M	Minor Revision to allow demolition	(pending)